

CHAPTER 169  
FUNDING FOR EMPOWERMENT AREAS

PREAMBLE

These rules define and structure the department of human services' child care funding for designated empowerment areas. Funds are provided to community empowerment areas pursuant to Iowa Code section 71.8(3) as amended by 1999 Iowa Acts, Senate File 439, section 14, to develop and improve local child care capacity to better enable low-income parents to obtain or retain employment. These rules establish conditions and procedures for the disbursement, use, and administration of these funds. This grants program is administered by the department in conjunction with the Iowa empowerment board, according to conditions set forth in Iowa Code chapter 71 as amended by 1999 Iowa Acts, Senate File 439.

**441—169.1(7I) Definitions.**

*"Applicant"* means an entity seeking funding under these rules.

*"Community empowerment area"* or *"area"* means an entity as defined in Iowa Code section 71.5 as amended by 1999 Iowa Acts, Senate File 439, sections 10 and 11, and as further defined by any administrative rules implemented by the Iowa empowerment board pursuant to Iowa Code chapter 71.

*"Department"* means the department of human services.

*"Iowa empowerment board"* or *"board"* means the entity as defined in Iowa Code section 71.2 as amended by 1999 Iowa Acts, Senate File 439, sections 3 to 7.

*"Low-income families"* means families at or below 185 percent of the federal poverty level.

*"Temporary Assistance for Needy Families (TANF)"* means a federal funding stream, for which the state is eligible under Public Law 104-193, for use in welfare reform and related activities.

**441—169.2(7I) Use of funds.** Funds shall be used in compliance with federal law and shall be used only for enhancing quality child care capacity in support of parent capability to obtain or retain employment. The funds shall be used with a primary emphasis on low-income families with children from birth to age five.

**169.2(1) Eligible activities.** Funds shall be used to implement strategies identified by communities that may include, but are not limited to:

- a.* Developing capacity for regular child care, sick child care, night shift child care, and emergency child care.
- b.* Enhancing linkages between the Head Start program, the Early Head Start program, early childhood development programs, and child care assistance programs.
- c.* Implementing other strategies that enhance access to child care.
- d.* Supporting ongoing activities related to paragraphs "a" through "c."

**169.2(2) Limitations on using funds.** Funds shall not be used for any purposes precluded by federal law. The Iowa empowerment board may establish additional limitations on the use of funds.

**169.2(3) Administrative costs.** Community empowerment areas may use up to 5 percent of funding for administrative costs in administering the grant, provided those expenditures are directly related to the project. Administrative costs shall be as defined in 45 CFR 98.52 as amended to October 1, 1997.

**441—169.3(7I) Eligibility for funding.**

**169.3(1) *Eligible entities.*** Eligible entities are those designated as a community empowerment area by the Iowa empowerment board.

**169.3(2) *Applications.*** The community empowerment area shall submit an application for funding to the Iowa empowerment board. Actions on the application will be made by the board based on criteria set forth by the board.

**441—169.4(7I) Funding availability.** The availability of funds is subject to the following parameters:

**169.4(1) *Total funding available.*** Total funding available in each state fiscal year shall be the amount set pursuant to enacted legislative appropriations, less any other obligations that the legislation creates. Funding shall be further subject to federal funding actions which reduce or eliminate the availability of this funding and to changes in Iowa law.

**169.4(2) *Administration of funds.*** These funds do not reside in the Iowa empowerment fund but are administered by the department. Upon the award of funding by the Iowa empowerment board, funds shall be disbursed to the community empowerment area by the department pursuant to a negotiated payment schedule that complies with state and federal law. Funds received by a community empowerment area shall be administered through a fiscal agent.

**169.4(3) *Obligated funds.*** Funds that have been applied for by and awarded to a community empowerment area prior to June 30 of each state fiscal year shall be considered obligated. These funds do not revert, but shall remain available to the area, regardless of whether the funding has yet been spent, if paid to the area by August 31 following the close of the state fiscal year in which the funds were obligated.

**169.4(4) *Unobligated funds.*** Funds that have not been obligated or paid pursuant to the preceding subrule shall revert and do not remain available to the area in a subsequent state fiscal year.

**169.4(5) *Eligible funding for area.*** In determining a designated community empowerment area's eligible funding, total funds available for the state fiscal year shall be prorated according to the following:

*a.* A designated community empowerment area's maximum eligible funding is the percentage of the total available funding which is equal to the area's percentage of average monthly statewide family investment program cases in the preceding state fiscal year, as reported to the Iowa empowerment board by the department.

*b.* If a community empowerment board's request for official designation is received by the Iowa empowerment board on or after September 1, 1999, upon designation, the maximum funding amount shall be prorated for the fiscal year and rounded up to the nearest full month. The community empowerment areas that received designation in January 1999 and those areas requesting designation on or before August 31, 1999, are eligible to receive upon designation the maximum funding for the fiscal year beginning July 1, 1999, upon submission and approval of an application.

*c.* The Iowa empowerment board may award a lesser amount than calculated pursuant to this subrule based on the nature of the community empowerment area's request.

**441—169.5(7I) Community empowerment areas' responsibilities.**

**169.5(1) *Fiscal agent.*** The community empowerment area shall designate a public agency, a community action agency as defined in Iowa Code section 216A.91, or a nonprofit corporation as a fiscal agent and ensure that appropriate and adequate accounting mechanisms are in place through the fiscal agent to deposit, disburse and account for funds received, including tracking of the timing and purpose of any financial transaction.

**169.5(2) *Grant agreement.*** A grant agreement shall be entered into by the community empowerment area, the department, and the Iowa empowerment board.

**169.5(3) *Spending funds.*** The community empowerment area shall spend funds according to its application as approved by the Iowa empowerment board and grant agreement.

**169.5(4) *Reporting and audit requirements.*** The community empowerment area shall meet federal reporting and audit requirements. The Iowa empowerment board may establish other audit and reporting requirements.

**441—169.6(7I) Iowa empowerment board's responsibilities.**

**169.6(1) *Application review.*** The Iowa empowerment board shall review applications and act upon them in a timely manner.

**169.6(2) *Amount of funding.*** The Iowa empowerment board shall determine the amount of funding to be awarded, up to the eligible amount as defined in subrule 169.4(5).

**169.6(3) *Notification.*** The Iowa empowerment board shall notify the community empowerment area and the department of its decision.

**169.6(4) *Negotiating grant agreements.*** The Iowa empowerment board shall participate in negotiation of a grant agreement that includes:

- a. The amount awarded.
- b. How the funds will be used and the timing of disbursements from the department to the community empowerment area.
- c. Expected results and reports on progress toward those results, including results for children from birth to age five.
- d. An agreement by the community empowerment area to comply with federal reporting and audit requirements.
- e. Other conditions mutually agreed to by the community empowerment area and the Iowa empowerment board.

**169.6(5) *Review.*** The Iowa empowerment board shall review the status and progress of grantees.

**441—169.7(7I) Department of human services' responsibilities.**

**169.7(1) *Disbursement of funds.*** The department shall disburse funds to community empowerment areas under grant agreements.

**169.7(2) *Technical assistance.*** The department shall, upon request of the board, provide technical assistance and other support to the Iowa empowerment board and community empowerment areas.

**169.7(3) *Negotiations and review.*** The department shall assist the Iowa empowerment board in negotiating grant agreements and, upon request, assist the Iowa empowerment board in reviewing the status and progress of grantees.

**441—169.8(7I) Revocation of funding.** Notwithstanding other portions of these rules, funding may be revoked under the following conditions.

**169.8(1) *Failure to comply.***

- a. Either the Iowa empowerment board or the department may revoke funds if the community empowerment area is failing to comply with federal reporting or audit requirements or is using funds for other than an allowable purpose. The revocation shall be prospective, and may also be retroactive if the failure to comply or use of funding is such that the federal funds already expended are in jeopardy of being recovered by the federal government.

*b.* The Iowa empowerment board may revoke funds if the community empowerment area is not complying with other conditions agreed to by the board and the area, or if the board determines that the area is not performing pursuant to their approved application or grant agreement or is not making satisfactory progress toward results. The revocation shall be prospective only and may include unexpended funds already obligated to the area.

**169.8(2) *Corrective action plan.*** Prior to notice of revocation, either the department or the Iowa empowerment board may first work with the community empowerment area to develop and implement a corrective action plan if in the discretion of the department or the Iowa empowerment board such a plan has a reasonable chance of success.

**169.8(3) *Subsequent application.*** A community empowerment area which has had its funding revoked may submit a subsequent application, which shall be considered a new application and eligible for prospective funding only. Applications submitted subsequent to a revocation of funding must also address how the matters leading to a previous revocation have been addressed in order to prevent problems from occurring again.

**441—169.9(7I) Appeals.** A designated community empowerment area may file an appeal with the director of the department of human services as follows:

**169.9(1) *Appealable actions.*** Issues that can be appealed include disbursement of funds and revocation of funding if initiated by the department.

**169.9(2) *Nonappealable actions.*** The denial or rejection of a grant application, the amount of a grant award, and other actions taken by the Iowa empowerment board are not appealable to the director of the department of human services. These actions are subject to appeal procedures set forth by the Iowa empowerment board.

**169.9(3) *Letter of appeal.*** The letter of appeal must be submitted within five working days of the action of the department and must clearly and fully identify all issues being contested.

The director of the department shall review the appeal request and issue a decision within ten days of the request or within ten days of receipt by the department of any follow-up information requested from the appellant.

These rules are intended to implement 1999 Iowa Acts, Senate File 439, section 17, and Iowa Code section 71.8(3) as amended by 1999 Iowa Acts, Senate File 439, section 14.

[Filed emergency 6/10/98—published 7/1/98, effective 6/10/98]

[Filed 8/12/98, Notice 7/1/98—published 9/9/98, effective 11/1/98]

[Filed emergency 6/10/99—published 6/30/99, effective 7/1/99]

[Filed 8/12/99, Notice 6/30/99—published 9/8/99, effective 11/1/99]